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UNITED NATIONS DEVELOPMENT PROGRAMME

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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
INDONESIA

IPF:(1987-91) $ 62659700

(INS/88/032) - Eastern Indonesia Provincial Development and Planning Project (Phase III)

Date of approval by the AC:[1]	22 May 1991
Expected duration:	Three Years
Proposed executing agency:	Government
Government implementing agency:	Ministry of Home Affairs, National Development Planning Board (BAPPENAS), and Ministry of Public Works
Proposed UNDP contribution:	$2594000 Source of funds: IPF
Third-party cost sharing:	$1116000 Source of funds: Govt. of Netherlands
Total UNDP budget:	$3711000

Project background

Eastern Indonesia has been experiencing considerably slower economic growth compared to the other parts of the country. While substantive Government resources and external support have been directed to this region, their impact has not been sufficient to overcome its disadvantaged position. The level of private investment is low, and widespread poverty persists. In order to accelerate growth to overcome the existing significant regional disparity between Eastern Indonesia and the rest of the country, well-planned and effectively implemented combination of sectoral and multi-sectoral development programmes/projects for infrastructure and productive activities, together with integrated area development projects targetted at the poorest section of the population are needed. This is to be planned and managed at the local government level in line with the decentralization programme of the Government.

A fundamental constraint in this endeavour however, is the inadequate institutional capacity of the local governments in Eastern Indonesia to handle regional development planning and management as well as preparation and operationalization of investment projects. Without a significant and long-term improvement in this institutional and human resources base, the investments will be ineffective and their impact will be minimal. The first and second phase projects (INS/78/046) and (INS/83/013) were mainly concerned with the identification of investment projects and the experimental implementation of an integrated area development project. To focus more on institution building and

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

training activities, the Government requested UNDP assistance under the proposed third-phase project.

Description of project

The project's main focus is on human resources development and institution building to improve the local government's capability to effectively plan and manage regional development. The immediate objectives of the project are to: (a) strengthen the capabilities of Provincial and District Development Planning Boards (BAPPEDAs) to prepare and operationalize regional development plans and strategies; (b) institutionalize and strengthen the capacities of BAPPEDAs and associated government agencies to identify, prepare, evaluate, monitor and co-ordinate development programmes and projects on a sustained and recurrent basis; and (c) improve the long-term capability of BAPPEDAs and associated local government agencies to effectively plan, manage, co-ordinate, and evaluate multisectoral area development programmes.

Project activities will include: (a) reviewing and revising as necessary existing provincial development plans and strategies, and investment programmes and projects; (b) preparing action plans for operationalizing the regional development planning process; (c) prioritizing and preparing projects including the undertaking of economic and financial feasibility studies and operational analysis; (d) preparing and implementing a medium-term plan for institutional change and staff development in the local governments for strategic regional development planning, operationalization of the plan through project identification and preparation, and co-ordination of multi-sectoral projects; (e) undertaking comprehensive evaluation of integrated area development pilot projects; and (f) coordinating and facilitating financing of projects by potential donors. Through this process orientation, the project will transfer the know-how to be institutionalized into the local planning and coordination systems. Within the Eastern Indonesia region, the specific problems and technical assistance needs vary from one province to another; and thus the project will have a different emphasis and focus in each province.

Inputs

UNDP will provide a chief technical adviser (36 man-months), national project manager (36 man-months), an international institutional development and training specialist (four man-months), a national institutional development and training adviser (18 man-months), a project monitoring consultant (two man-months) and short-term specialists (international: 12 man-months; national: 12 man-months) at the central level. In the target provinces, it will provide: one international or national provincial development advisor (30 man-months in each of the five provinces), teams of experts for project preparation and evaluation, short-term experts in various fields (international: 30 man-months; national: 60 man-months), UNVs in agronomy and fisheries; specialized short-term overseas training, in-country training and workshops; equipment and vehicles; and miscellaneous costs.

Financial data

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Personnel	2886000
Training	375000
Equipment	290000
Miscellaneous	160000
Total	3711000